BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
UTILITIES COMMISSION

DOCKET NO. 2014-246-E

In Re: Petition to Establish Generic Proceeding Pursuant to the Distributed Energy Resource Program Act, Act No. 236 of 2014, Ratification No. 241, Senate Bill No. 1189

MOTION TO COMPEL BY THE ALLIANCE FOR SOLAR CHOICE

Pursuant to R. 103-829 of the Rules of Practice and Procedure of the Public Service Commission of South Carolina ("Commission"), the Alliance for Solar Choice ("TASC"), submits this Motion to Compel in the above-captioned proceeding. TASC actively participated in the implementation of Act 236 before the Commission and was a signatory to the 2014 Settlement Agreement in this docket ("Settlement Agreement"), along with all parties of record in that proceeding. TASC, through its undersigned counsel, respectfully moves that the Commission issue an order in the above-captioned proceeding compelling Duke Energy Carolinas, LLC, Duke Energy Progress, Inc., South Carolina Electric & Gas Company (collectively, the "Utilities") to regularly share information about net metering program applications and interconnection that is critical to understand aggregate market activity, appropriately plan for when the net metering cap is met, is consistent with best practices for transparency and data-sharing in other states, and builds upon - but does not violate - the existing net metering settlement.

I. Act 236 Created Statutory Net Metering and Spurred a Solar Industry in South Carolina

The Legislature enacted Act 236 in 2014 to remove market barriers to solar deployment in South Carolina and to empower customers to invest in solar and take control of their electricity bills. Act 236 created statutory net energy metering ("NEM"), as well as legalized solar leasing and authorized utilities to file Distributed Energy Resource Programs with the Commission.

At the time of Act 236's passage, the amount of solar interconnected to South Carolina's grid was de minimis.[1] But once market barriers to solar were removed through the implementation of Act 236, the solar market began to flourish in South Carolina. The Solar Foundation reports that South Carolina has more than 2,700 solar jobs as of the end of 2016, having added more than 1,000 in 2016 alone[2].

II. Act 236 Requires Investor-Owned Utilities to Make NEM Available to Customers Until a 2% Cap is Met Based on Customer Applications

Act 236 requires the utilities bound by the Act to make NEM available to their customers until a specific threshold is met. Section 58□40□20.B states

> "An electrical utility shall make net energy metering available to customer□generators on a first□come, first□served basis until the total nameplate generating capacity of net energy metering systems equals two

[1] *See* Commission Docket No. 2005-385-E, annual net metering reports for 2014 filed between January 20th and 22nd, 2015 for all three investor-owned utilities. As of December 31, 2014, SCE&G had 265 net metering systems, Duke Energy Carolinas had 165 net metering customers, and Duke Energy Progress had a total of three net metering customers.

[2] At the time this Motion was filed, The Solar Foundation reported there were 2,772 solar jobs in the state of South Carolina, which had increased by 1,008 in 2016. Report available at https://www.thesolarfoundation.org/solar-jobs-census/factsheet-2016-sc/

> percent of the previous five□year average of the electrical utility's South Carolina retail peak demand. No electrical utility shall be required to approve any application for interconnection from net energy metering customer generators if the total rated generating capacity of all applications for interconnection from net energy metering customer generators already approved to date by the electrical utility equals or exceeds two percent of the previous five□year average of the electrical utility's South Carolina retail peak demand."

As described in this section, utilities will no longer be required to approve any additional NEM applications when the volume of (1) already-approved NEM applications (*e. g.*, NEM projects that the utility has approved and are in some phase of the construction and inspection process); and (2) interconnected NEM systems collectively reaches 2% of the previous five□year average of the electrical utility's South Carolina retail peak demand.

III. Currently Available NEM Application Information Shows that South Carolina Electric & Gas Company surpassed the 50% threshold for new NEM applications in May 2017.

As of the date of this filing, the last time South Carolina Electric & Gas Company (SCE&G) shared relevant NEM data was on August 16, 2017 with the Energy Plan Subcommittee. SCE&G shared the data with TASC members on August 15th.[3] That information only reflected NEM data through July and is now more than three months old.

On October 13, 2017 SCE&G submitted a NEM update filing to the Commission pursuant to the NEM settlement agreement, of which TASC was a signing party.[4] As reflected in the terms of that agreement, the settling Utilities agreed to certain reporting

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[3] *See* Appendix A.

[4] *See* SCE&G Letter filed in Docket No. 2014-246-E (Oct. 13, 2017) available at https://dms.psc.sc.gov/Attachments/Matter/c3880679-cb52-4231-a3bd-a9b9a6cc3787

requirements leading up to the point at which the 2% NEM cap contemplated in Act 236 is achieved. The parties to the settlement agreed to those reporting parameters; however, in practice, the resulting reports do not help ratepayers and the solar industry understand when the NEM cap will actually be hit. Not only are the reports based on interconnections and not applications, but the NEM cap will likely be reached in half the amount of time contemplated by the settlement.[5] There is reason to believe that the NEM cap will be reached in half the amount of time contemplated by the settlement; however by not regularly providing up-to-date application data, SCE&G is impeding customers and stakeholders from having an accurate understanding of the availability of NEM.

For instance, in its October 13th filing, SCE&G stated that "[t]he purpose of this letter is to inform the Commission that SCE&G has surpassed the 1.0% participation level as of the end of September 2017." This filing focuses on interconnected capacity of net metering systems. It does not describe SCE&G's NEM application approval volumes. Notably, Act 236 prescribes that it is the cumulative capacity of both NEM application approvals and NEM interconnections, not solely NEM interconnections, that will determine the point at which SCE&G is no longer required to approve new NEM applications.[6] SCE&G's August 15th data shows that the utility hit the 1% participation level on an applications plus interconnection basis at the end of May, four months earlier than it hit the 1% participation on the interconnection-basis that it reported to the Commission in October.

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[5] The NEM Settlement contemplated the NEM cap being reached at the end of 2020, when the reporting requirements expired; however, based on the limited data available from the Utilities, it could be reached much faster.

[6] *See supra* section II.

Solar parties have not received any follow-up data from SCE&G in the nearly 3-months since that August 15th limited data release. A meeting in which additional data may have been shared, set for September 19, 2017, was cancelled and as of this filing it has not yet been rescheduled.

IV. Currently Available Net Metering Application Information for Duke Territories Shows that Duke Energy Carolinas Has Likely Surpassed 80% of its NEM Capacity.

As of the date of this filing, the most recent data shared by Duke shows data as of September 15, 2017. In Mid-September, Duke presented a PowerPoint slide where TASC members received limited data from Duke.[7] Duke's data shows that as of September 15th, 79.4% of Duke Energy Carolina's NEM capacity had been applied for. This suggests that only 20.6%, or 16.5 MW of additional net metering capacity may be available in this territory. Duke Energy Progress has received applications covering 45% of its 26 MW NEM cap, suggesting that 14.4 MW, or 55% of its cap may be available.

It is important to note that the data Duke has shared is so limited that it is not possible to determine how much room remains under Duke's cap according to the above-mentioned statutory language in Act 236. Act 236 says that utilities are no longer required to approve additional NEM applications when "the total rated generating capacity of all applications for interconnection from net energy metering customer generators *already approved* to date by the electrical utility equals or exceeds two percent of the previous five□year average of the electrical utility's South Carolina retail peak

[7] *See* Appendix B.

demand."[8] [Emphasis added]. The data that Duke shared on September 28th does not specify how much of the NEM applications that Duke has received have been approved by the utility. Duke's data only shows how many applications the utility has received. Thus there could be more than 21.6% of the Duke Energy Carolina's NEM capacity available - if Duke has not *approved* all of the applications it has received in that territory. But without more complete and clear data, customers and solar parties cannot make informed determinations about this. Conservatism requires an assumption that all applications known should be considered approved, and this indicates that at the time of this filing, Duke Energy Carolina's remaining NEM capacity could be less than 20%.

V. Efforts to Engage Directly with Utilities about NEM Application Data Have Consistently Failed to Result in the Regular Provision of Data.

We are seeking relief from the Commission because our efforts to engage directly with the Utilities shave not yielded transparent and consistent data sharing. We have asked for readily available data about net metering enrollment from the Utilities multiple times, as has the Office of Regulatory Staff ("ORS").[9] Our attempts to secure firm commitments for more frequent and transparent data reporting at these meetings have been unsuccessful.

We have yet to receive a fundamental and basic piece of data from either SCE&G or from Duke: the total volume in nameplate capacity of new net metering applications received in a period (such as a month). This data is an important building block for an

[8] S.C. Code Ann. § 58-39-130.

[9] We have requested this information from both Duke and SCE&G multiple times and ORS requested more frequent enrollment data on July 11, 2017 and October 23, 2017. The utilities have not yet provided responsive data.

assessment of when the 2% cap for a utility territory will be hit. Duke has given us snapshot data that does not show monthly historicals. SCE&G's data shows the total amount of approved NEM applications that exist in the utility's system in a given month, but it does not show the amount of new approved NEM applications received each month.

These data are critical to solar companies and the nearly 3,000 solar energy jobs in this state as well as customers' ability to make informed decisions about making private investments in solar. While it is clear that Utilities feel threatened by the existence of a residential solar market,[10] the issue of data transparency ultimately impacts their customers who either want to install solar to participate in net metering (and are uncertain if they will come in under the cap) or who are employed by an industry that will face certain disruption if a cloud of uncertainty hangs over the NEM program. The utility's NEM application and interconnection volume data is public data and should be provided for the public's benefit.

In early November, the Office of Regulatory Staff endeavored to address NEM data sharing with utilities and succeeded in making some progress. SCANA and Duke both indicated to ORS that they would work towards publishing monthly data on utility websites. TASC greatly appreciates ORS' efforts to obtain public data for South

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[10] *See, e.g.*, SCANA Corporation's most recent Form 10-K filing in which it states that "[t]he Company and Consolidated SCE&G are subject to the risk of loss of sales due to the growth of distributed generation especially in the form of renewable power such as solar photovoltaic systems, which systems have undergone a rapid decline in their costs." SCANA Corporation Annual Form 10-K at p. 16, available at https://www.scana.com/docs/librariesprovider15/pdfs/scana-corporation-2016-10k.pdf?sfvrsn=2.

Carolina ratepayers and industry consistent with what utilities in other states have provided publicly.

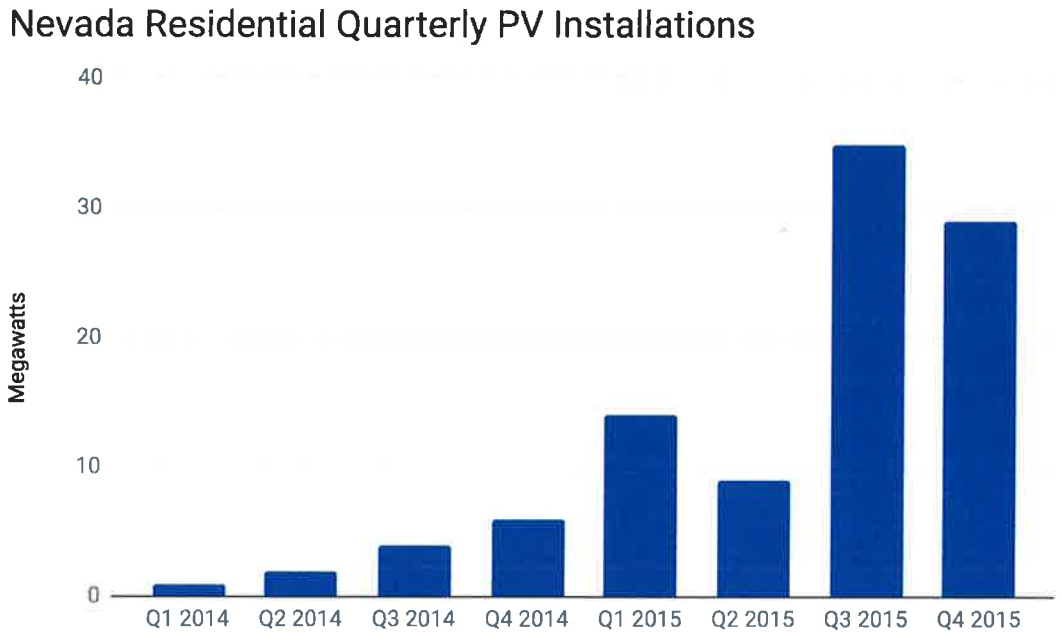
However, because neither utility gave ORS a commitment for when monthly data would be made available, nor did they indicate any plans to report more frequently than monthly in the future, TASC finds the utilities latest vague commitments to ORS to be insufficient. Further, both the fact that Duke Energy Carolina appears to have 20% or less of its NEM capacity remaining and TASC's experience with NEM caps in other states (described below), suggest that immediately instituting more frequent NEM reporting in South Carolina, such as weekly, is in the public interest. TASC views the utilities' latest vague commitments on NEM data as underscoring the need for Commission action to prospectively require that utilities adhere to reasonable, firm reporting commitments that become more frequent as the cap approaches.

VI. National Experience With NEM Caps Shows that it is Prudent to Anticipate an Acceleration of NEM Activity as the Cap Approaches.

We are also seeking relief because in our experience in other states with similar net metering program caps, solar adoption tends to accelerate as a cap is approaching and accuracy and data reporting frequency becomes critical. For example, in Nevada, a utility miscalculated the amount of megawatts ("MW") enrolled in its net metering program and, as a result, legislators, Public Utility Commissioners, prospective solar customers, and solar employees were all materially misled as to when the fast-

approaching net metering cap would hit.[11] Figure 1 below shows quarterly installations steadily increased through 2014, and then increased several-fold in 2015. Nevada's NEM cap was met in August 2015 for new net metering applications. Installations continued beyond the August date as projects that were applied for under the NEM cap were subsequently built.

Figure 1: Quarterly installations of residential PV in Nevada. Source: U.S. Solar Market Insight Full Report (Q4 2016), Greentech Media, available at https://www.seia.org/research-resources/solar-market-insight-report-2016-q4.



Nevada's Commission has implemented new practices in light of its history with NEM caps. Nevada utilities are now required to post specific and regular updates on a

[11] *See* Kyle Roerink, *Solar companies say NV Energy misled them on cap limit*, Las Vegas Sun (Jul. 8, 2015), https://lasvegassun.com/news/2015/jul/08/solar-companies-say-nv-energy-misled-them-cap-limi/.

website administered by the Public Utilities Commission of Nevada's website,[12] which has provided precise data and up-to-date transparency for all of Nevada's ratepayers, business owners, and affected workforce.

VII. Information Requested

We specifically request that the Commission direct the Utilities to share:

- Net metering applications received during the current month (number of applications and MW)
- Net metering applications in the queue (number of applications and MW)
- Interconnections approved during the current month (number of interconnections and MW)
- Total cumulative interconnections (number of interconnections and MW)

We request that this information is shared publicly and transparently – preferably posted on the Utilities' existing web pages dedicated to providing information on net metering and other customer opportunities to install and utilize solar.[13] This is consistent with other states that have similar net metering caps.[14]

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[12] Nevada's legislature enacted detailed public posting requirements in AB 405, available at https://www.leg.state.nv.us/Session/79th2017/Bills/AB/AB405_EN.pdf. Nevada's net metering enrollment information is available at http://puc.nv.gov/Renewable_Energy/Net_Metering/.

[13] *See supra* note 8; *see also* Pacific Gas and Electric's ("PG&E") net metering tracking website, available at https://web.archive.org/web/20161028174252/https://www.pge.com/en_US/residential/solar-and-vehicles/green-energy-incentives/solar-and-renewable-metering-and-billing/net-energy-metering-program-tracking/net-energy-metering-and-tracking-faq.page. PG&E shares data similar to the data requested in this Motion.

[14] *See, e.g.*, California Public Utilities Commission Decision 14-03-041 (requiring that "[i]n order to assist customers in making educated decisions about their possible eligibility for NEM, we find that it is reasonable to require the large IOUs to report their progress towards the NEM transition trigger level to the Commission on a monthly basis, as required by 2827(c)(4)(C). At a minimum, the report will include the information required in statute, including updated information on progress toward the NEM limits based on operating solar energy systems and cumulative numbers of interconnection requests for NEM-eligible systems, as well as the amount remaining before the NEM

We also request that the Utilities update this information at the following frequency:

- Monthly until 20% of the net metering cap is remaining; then
- Weekly until 10% of the cap is remaining; then
- Daily until the cap is met.

VIII. Conclusion

South Carolina ratepayers want now more than ever to take control of their electricity bills. The Solar industry in South Carolina grew 31 times faster than South Carolina's overall state economy in 2016 while adding more than 1,000 jobs, and it currently employs nearly 3,000 people.[15] This industry, and the South Carolinians who are considering investing in solar, need transparent and accurate data to make prudent investment decisions. Accordingly, we respectfully request that the Commission require the Utilities to publicly share readily available information about net metering program

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transition trigger level is reached. These monthly reports will also be posted on each utility's Web site along with other information about NEM. The large IOUs will work with energy division staff to develop the content and format for these monthly reports, as well as for an annual summary report to be served on the service list for this or a successor proceeding." CPUC D. 14-03-041 (Mar. 27, 2014), http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M089/K386/89386131.PDF. *See also* Nevada Assembly Bill No. 405, Sec. 28.3(4), 79th Session (June 15, 2017 *enacted*): "On or before the 15th day of each calendar month, a utility shall post on its Internet website and report to the Commission the cumulative installed capacity of the net metering systems with a capacity of not more than 25 kilowatts for which a customer-generator has accepted the offer of that utility as of the close of business of the utility on the last business day of the immediately preceding calendar month."

[15] *See supra* note 2.

enrollment to ensure public transparency – for South Carolina's ratepayers and the nearly 3,000 South Carolina workers currently employed by its thriving solar industry.[16]

While the NEM Settlement Agreement established a baseline or bare minimum for data reporting, nothing in the Settlement Agreement should be construed as constraining the authority of the Commission to require more robust data reporting as needed to serve and protect the public interest. In this case, the requested additional reporting is needed because parties efforts to access this data independent of the Commission have been unsuccessful, and the data is necessary to keep South Carolina's ratepayers and significant solar workforce properly informed. Thus we ask that the Commission expediently grant our motion and ensure this data is available and accessible to its public.

Respectfully,

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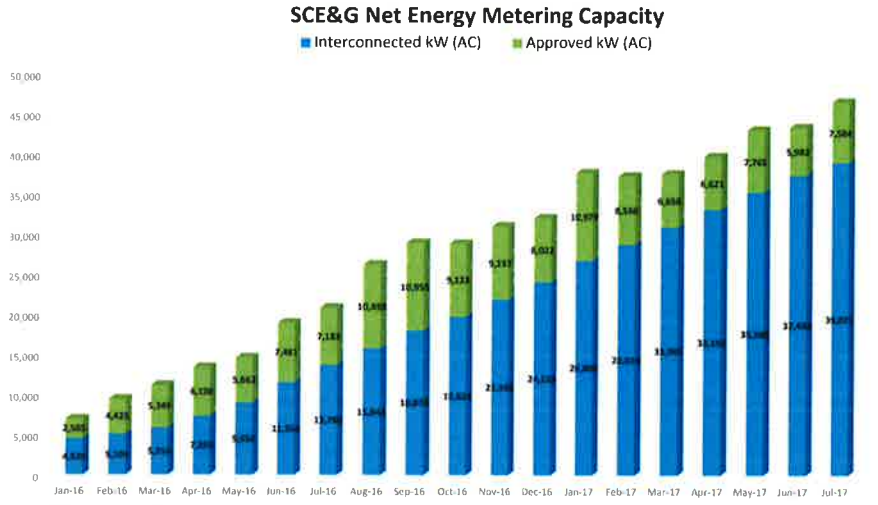
[16] At the time this Motion was filed, The Solar Foundation reported there were 2,772 solar jobs in the state of South Carolina, which had increased by 57% in 2016. Report available at https://www.thesolarfoundation.org/solar-jobs-census/factsheet-2016-sc/.

Appendix A: SCE&G data shared with TASC on August 15, 2017



	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17
Approved kW (AC)	2,505	4,425	5,349	6,100	5,662	7,481	7,183	10,493	10,955	9,123	9,197	8,022	10,979	8,566	6,658	6,621	7,765	5,982	7,584
Interconnected kW (AC)	4,520	5,104	5,914	7,392	9,050	11,554	13,760	15,843	18,076	19,824	21,935	24,133	26,800	28,819	31,001	33,192	35,388	37,483	39,071

Pending Projects (as of 7/31/17)	
# Projects	kW (AC)
257	1,871

Appendix B: Duke Energy data shared with TASC on September 15, 2017

DUKE ENERGY.

Net Energy Metering Rider Program Status

DEC Net Energy Meeting Status of Sept. 15, 2017			
Cap	Applied	Installed	Remaining
80	63.5	36	16.5

DEP Net Energy Meeting Status of Sept. 15, 2017			
Cap	Applied	Installed	Remaining
26	11.6	6	14.4

*All Values in MW